

Message Text

PAGE 01 STATE 016537
ORIGIN EUR-08

INFO OCT-01 ISO-00 ONY-00 /009 R

DRAFTED BY EUR/CAN:JHROUSE,JR.:CLJ
APPROVED BY EUR/CAN:JHROUSE,JR.
DESIRED DISTRIBUTION
EUR ONLY
-----252235Z 041879 /72-61

P 252006Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA PRIORITY

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E.O. 11652:N/A

TAGS: PINT, CA, PFOR

SUBJECT: REMARKS ON QUEBEC INDEPENDENCE

1. AS REQUESTED BY EMBASSY FOLLOWING IS GIST OF REMARKS
EUR/CAN DIRECTOR ROUSE PLANS TO MAKE JANUARY 26 TO NORTH-
WESTERN UNIVERSITY CLASS AND JANUARY 27 TO BUSINESS SEMINAR
ON SUBJECT OF QUEBEC AND U.S. INTERESTS. NO TEXT WILL BE
RELEASED. BEGIN TEXT --

WHEN I WAS ASKED AS PART OF TODAY'S PROGRAM TO COMMENT AS
A STATE DEPARTMENT OFFICIAL ON QUEBEC INDEPENDENCE AND U.S.
INTERESTS, I WAS REMINDED OF THE PREACHER WHO WAS ASKED BY
A SUNDAY SCHOOL PUPIL WHERE CAIN AND ABEL GOT THEIR WIVES.
THE PREACHER REPLIED, "YOUNG MAN, IT'S QUESTIONS LIKE THAT
THAT ARE HURTING RELIGION."

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AS I WARNED PROFESSOR FARRELL SOME TIME AGO, IN A SENSE I
AM APPEARING HERE TODAY UNDER FALSE PRETENSES. FOR THE FACT
IS THAT THERE REALLY IS VERY LITTLE THE UNITED STATES
GOVERNMENT CAN--AND SHOULD--SAY ABOUT THE QUEBEC SITUATION.

CANADA'S RELATIONS WITH ITS PROVINCES--LIKE FEDERAL-STATE
RELATIONS IN THE U.S.--ARE DOMESTIC MATTERS--THEY MAY HAVE

FOREIGN POLICY IMPLICATIONS BUT THEY ARE NOT A PROPER
SUBJECT FOR FOREIGN COMMENT OR INTERFERENCE.

I THINK I NEED ONLY ALLUDE TO THE FOUR LITTLE WORDS ON THE SUBJECT OF QUEBEC THAT GENERAL DE GAULLE SPOKE A FEW YEARS AGO TO REMIND ALL OF YOU JUST HOW SENSITIVE FOREIGN INVOLVEMENT IN INTERNAL AFFAIRS CAN BE. AND FRANCE DIDN'T SHARE A 5,200 MILE FRONTIER, 70 MILLION VISITS A YEAR, 50 BILLION DOLLARS IN TRADE WITH CANADA.

SO IN A SENSE, I'VE COME HERE TO SAY--AND I THINK IT'S AN IMPORTANT POINT TO MAKE--THAT THE U.S. GOVERNMENT REALLY DOESN'T HAVE ANYTHING TO SAY ABOUT QUEBEC AND ITS FUTURE IN CANADA EXCEPT THAT THIS IS A UNIQUELY AND ENTIRELY CANADIAN PROBLEM; A PROBLEM FOR CANADIANS TO DEAL WITH THEMSELVES WITH CANADIAN INTERESTS IN MIND AND WITHOUT MEDDLING FROM THE UNITED STATES, WELL INTENTIONED, INADVERTENT, OR OTHERWISE.

SO THERE WOULD BE NO PURPOSE IN MY GETTING INTO "WHAT IF" DISCUSSIONS ABOUT QUEBEC, AND I DO SEE CONSIDERABLE POTENTIAL THAT ANYTHING I MIGHT SAY AS A GOVERNMENT OFFICIAL COULD BE MISUNDERSTOOD AND WOULD NOT CONTRIBUTE TO THE SITUATION.

THAT'S OUR BASIC POSITION. HAVING SAID THIS, THERE ARE A FEW OBSERVATIONS I THINK IT WOULD BE USEFUL TO MAKE. THE FIRST POINT I WANT TO MAKE IS THAT ALTHOUGH THE STATE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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DEPARTMENT DOES NOT BELIEVE THE U.S. HAS A LEGITIMATE AND APPROPRIATE ROLE TO PLAY, THIS DOES NOT MEAN THAT WE ARE INDIFFERENT TO THE QUEBEC SITUATION. ON THE CONTRARY, WE ARE FOLLOWING DEVELOPMENTS IN QUEBEC WITH INTEREST--FOR A NUMBER OF REASONS.

FOR ONE THING CANADA IS EXTREMELY IMPORTANT TO U.S. INTERESTS: IT IS OUR MOST IMPORTANT ECONOMIC PARTNER; WITH CANADA WE SHARE KEY DEFENSE RESPONSIBILITIES--IN NORTH AMERICA AND NATO; CANADA IS A PRINCIPAL ACTOR ON THE INTERNATIONAL ECONOMIC SCENE--THE FOURTH LARGEST TRADE ENTITY AND ONE OF THE TOP SIX OR SEVEN INDUSTRIAL DEMOCRACIES; IT IS ALSO AN IMPORTANT ACTOR IN INTERNATIONAL ORGANIZATIONS--LIKE THE UN, OECD, THE NORTH/SOUTH DIALOGUE, PEACE KEEPING, INTERNATIONAL ENERGY AGENCY. GENERALLY IN THESE AREAS WE FIND U.S. AND CANADIAN INTERESTS PARALLEL AND MUTUALLY REINFORCING. FOR ALL THESE REASONS, WE SEE A CANADA WHICH IS VIGOROUS, INDEPENDENT, SELF CONFIDENT, AND ACTIVELY ENGAGED INTERNATIONALLY AS THE BEST NEIGHBOR WE COULD HAVE. OBVIOUSLY WE ARE INTERESTED IN ANY DEVELOPMENTS THAT MIGHT AFFECT THESE

FACTORS EVEN marginally.

ANOTHER REASON WE ARE NOT INDIFFERENT IS THAT THERE ARE SIGNIFICANT U.S. INTERESTS IN QUEBEC ITSELF. PROVINCIAL STATISTICS COVERING FOREIGN ECONOMIC TIES ARE NOT MUCH BETTER THAN OUR OWN STATE STATISTICS, BUT WE DO KNOW IN A GENERAL WAY THAT THERE ARE IMPORTANT ECONOMIC TIES BETWEEN THE U.S. AND THE PROVINCE OF QUEBEC. FOR EXAMPLE, SOME 17 PERCENT OF CANADIAN EXPORTS TO THE U.S. COME FROM QUEBEC AND U.S. EXPORTS TO QUEBEC ARE ESTIMATED TO RUN IN ABOUT THE SAME PROPORTION--THIS MEANS WE HAVE AN ANNUAL TRADE WITH QUEBEC IN THE NEIGHBORHOOD OF 8 BILLION DOLLARS. THIS IS HIGHER THAN OUR TRADE WITH ALL BUT A HANDFUL OF FOREIGN COUNTRIES. INVESTMENT, TOO, IS IMPORTANT. US LIMITED OFFICIAL USE
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DIRECT INVESTMENT IN THE PROVINCE, DEPENDING UPON HOW IT IS MEASURED, IS SAID TO BE SOMEWHERE BETWEEN 5-7 BILLION DOLLARS OR ABOUT 15 PERCENT OF TOTAL U.S. IDRECT INVESTMENT IN CANADA. AGAIN THIS IS HIGHER THAN U.S. INVESTMENT IN ALL BUT A FEW FOREIGN NATIONS. FURTHERMORE, QUEBEC IS AN IMPORTANT SOURCE OF RESOURCES FOR THE U.S.--ASBESTOS, IRON ORE, COPPER ORE, ALUMINUM, PULP, PAPER AND NEWSPRINT. FINALLY, SOME SIX MILLION FRENCH-SPEAKING AMERICANS OBVIOUSLY SHARE A CLOSE AFFINITY WITH THE CULTURAL CONCERNS OF QUEBEC'S FRANCOPHONE POPULATION.

SO THERE ARE A NUMBER OF IMPORTANT, DIRECT TIES WITH THE PROVINCE OF QUEBEC, WHICH GIVE THE U.S. A REAL INTEREST IN THE PROGRESS AND WELL-BEING OF THIS AREA OF CANADA ITSELF.

HAVING SAID THIS I THINK IT'S IMPORTANT TO MAKE ANOTHER POINT. IT IS ONE THAT MAY SEEM OBVIOUS, BUT WHICH IS WORTH KEEPING IN MIND WHEN YOU CONSIDER U.S. GOVERNMENT ATTITUDES AND POLICIES. THE POINT IS THAT THE U.S. GOVERNMENT DOES NOT HAVE RELATIONS OR DIRECT DEALINGS WITH QUEBEC OR THE OTHER CANADIAN PROVINCES. JUST AS THERE ARE PROHIBITIONS IN OUR CONSTITUTION AGAINST STATES CONDUCTING FOREIGN RELATIONS, SO IN CANADA, IT IS THE FEDERAL GOVERNMENT AND ONLY THE FEDERAL GOVERNMENT THAT HAS RELATIONS WITH OTHER COUNTRIES. INTERNALLY IN CANADA THE PROVINCES HAVE SUBSTANTIAL POWERS--FOR EXAMPLE OVER DEVELOPMENT OF THEIR OWN RESOURCES OR DOMESTIC INDUSTRY. BUT WHEN IT COMES TO CREATING THE INTERNATIONAL CLIMATE TO SEE THAT INDUSTRY IS PROTECTED OR MARKETS ARE DEVELOPED, IT IS THE FEDERAL GOVERNMENT OF CANADA THAT ACTS, WHETHER WE ARE TALKING ABOUT NEGOTIATING TARIFFS IN THE MULTILATERAL TRADE NEGOTIATIONS, OR IMPOSING, AS WAS RECENTLY DONE, QUOTAS ON TEXTILE IMPORTS WHICH PRIMARILY BENEFIT QUEBEC. IN SHORT, OTTAWA CONTINUES TO

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REPRESENT QUEBEC AND THE OTHER CANADIAN PROVINCES WITH THE U.S. GOVERNMENT, AND THIS IS A FUNDAMENTAL PRINCIPLE OF INTERNATIONAL RELATIONS WHICH THE USG IS OBVIOUSLY GOING TO CONTINUE TO RESPECT.

FINALLY, THERE IS ONE OTHER POINT WHICH I THINK IS WORTH MAKING: A NUMBER OF PEOPLE ANALYZING THE QUEBEC SITUATION HAVE TALKED ABOUT THE UNITED STATES EITHER "BAILING QUEBEC OUT" OR ON THE OTHER HAND "PUTTING THE SCREWS ON". THIS KIND OF ANALYSIS SERIOUSLY MISUNDERSTANDS THE NATURE OF THE U.S. ECONOMY. THE KINDS OF U.S. ECONOMIC INTERESTS IN QUEBEC THAT I HAVE DESCRIBED ARE ESSENTIALLY PRIVATE INTERESTS. THE U.S. GOVERNMENT DOESN'T HAVE ANY DIRECT INVESTMENT, DOESN'T DO ANY LENDING, AND DOESN'T CARRY OUT ANY COMMERCIAL TRADE IN QUEBEC. I AM GLAD TO SAY THAT THESE ARE PRIVATE ACTIVITIES IN THE U.S. U.S. GOVERNMENT ECONOMIC ACTIVITY IS REALLY ONLY AT THE MARGIN--AND THEN GENERALLY DIRECTED AT CREATING CONDITIONS BY WHICH PRIVATE TRADE, AND FINANCING, AND INVESTMENT CAN BE CARRIED OUT AS FREELY AND SAFELY AS POSSIBLE--WITHOUT GOVERNMENT INTERFERENCE.

QUEBEC'S PREMIER, RENE LEVESQUE UNDERSTANDS THIS. THE PARTI QUEBECOIS VICTORY HAS CREATED SOME UNCERTAINTY IN ECONOMIC CIRCLES WHICH HE IS OBVIOUSLY ANXIOUS TO PUT TO REST. THE FIRST THREE DAYS OF THIS WEEK HE, AND HIS FINANCE MINISTER AND OTHERS HAVE BEEN IN NEW YORK TO EXPLAIN AND REASSURE. BUT NOTE: THEY DIDN'T COME TO WASHINGTON, THEY WENT TO NEW YORK. AND THEY'RE NOT TALKING TO US GOVERNMENT OFFICIALS, THEY'RE TALKING TO BANKERS, AND INVESTORS AND BUSINESSMEN, LIKE MANY OF YOU. SO IT'S JUST NOT REALISTIC IN THIS KIND OF SETTING TO TALK ABOUT U.S. GOVERNMENT ECONOMIC ACTION.

THERE YOU HAVE IT. THESE ARE SOME OF THE CONSIDERATIONS THAT WE HAVE IN MIND IN THINKING ABOUT THE QUEBEC SITUATION.
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TION. ESSENTIALLY, THEY ARE THE SAME APPROACHES THAT GUIDED OUR THINKING EVEN BEFORE THE ELECTION OF THE PARTI QUEBECOIS. THAT ELECTION WAS OBVIOUSLY AN IMPORTANT EVENT, BUT IT WAS ONLY ONE ADDITIONAL ELEMENT IN A SOCIAL AND POLITICAL RELATIONSHIP THAT HAS BEEN IN PLAY BETWEEN THE TWO PRINCIPAL CULTURES OF CANADA FOR OVER TWO HUNDRED YEARS. THERE ARE AN INFINITE NUMBER OF POSSIBLE VARIATIONS IN THE CONTINUING DEVELOPMENT OF THIS RELATIONSHIP.

TIONSHIP. IF ONE THING IS CLEAR AT THIS TIME IT IS THAT THE ISSUE IS IN THE HANDS OF RESPONSIBLE LEADERSHIP ON BOTH SIDES AND WHATEVER EVOLUTION THERE MAY BE CAN BE EXPECTED TO COME GRADUALLY, AND OVER TIME. IN THESE CIRCUMSTANCES ALL U.S. INTERESTS SHOULD BE CAREFUL NOT TO

OVERREACT. MARK TWAIN USED TO SAY THAT A CAT THAT SITS ON A HOT STOVE WILL NEVER SIT ON A HOT STOVE AGAIN, BUT HE'LL NEVER SIT ON A COLD STOVE EITHER. GOVERNMENT AND PRIVATE INTERESTS ALIKE SHOULD BE CAREFUL THEY DO NOT LET ANY COLD-STOVE REACTION COLOR THEIR APPROACHES TO THE SITUATION.

IN CONCLUSION, TO GET BACK TO THE BOTTOM LINE, I SEE NO MERIT IN SPECULATING ABOUT THEORETICAL SCENARIOS. THE MOST CONSTRUCTIVE APPROACH IT SEEMS TO ME IS TO LEAVE IT TO THE CANADIANS TO SORT OUT THIS CANADIAN ISSUE ENTIRELY ON THEIR OWN. -- END TEXT.
VANCE

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDEPENDENCE, FOREIGN POLICY POSITION, SPEECHES
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Jan-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE016537
Document Source: ADS
Document Unique ID: 00
Drafter: EUR/CAN:JHROUSE,JR.:CLJ
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D770027-0533
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770193/baaevcz.tel
Line Count: 239
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: b99784de-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: ONLY LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: ONLY LIMDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3681765
Secure: OPEN
Status: NATIVE
Subject: REMARKS ON QUEBEC INDEPENDENCE
TAGS: PINT, PFOR, PDEV, CA, US, QUEBEC, (ROUSE, JOHN H JR)
To: OTTAWA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b99784de-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009